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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY China

DATE: 25X1A

SUBJECT Economic Information: Coal Mines in the
Poshan Area

INFO. [REDACTED]

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Number of Mines in the Poshan Area

1. Thirty mines are now in operation in the Poshan (117-51, 36-32) area; another twenty are still flooded, the Japanese having removed many of the pumps. As hand pumping evacuates water not much faster than the incoming flow, once a mine is flooded, it is considered useless. In addition, water in the Poshan area has an acid content which causes damage to pumps and impellers. Unless the Nationalists recapture the Poshan mines very suddenly, the Communists could sabotage the mines by flooding instead of blasting.

Ownership

2. Although the Communists are in control of the area now, the Poshan area mines are operated by:
 - a. The National Resources Commission, which took them over from the Japanese, or
 - b. The Provincial Government, or
 - c. Private owners.

If all the owners should pool their mines and operate only those in better condition, they could sink new shafts far enough away from existing mines to avoid cutting through to flooded mines. (Existing mines are not well charted.)

Production

3. During the four months prior to 23 February 1947, when the Nationalists again lost the mines to the Communists, the monthly output was 70,000 metric tons. Production could be stepped up to more than two and a half million tons per year if modern mining machinery were used, because underground conditions are excellent for machine mining, i.e., the roof is good, there is no gas, and the average gradient is one in sixteen.
4. The general condition of the coal fields is good. All seams are workable, with an average thickness of two meters. All the coal is semi-anthracite; one mine produces coal suitable for coking. Because of hand-cutting, only 15% of the coal at present is in lump form, but this could be raised to 80% with modern machinery. Because of the shortage of explosives there has been very

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little underground development in the last eight years and only cheap coal has been produced. The machinery most necessary for increasing production is coal cutters and conveyors.

Power

5. The power plant is sufficient to meet any demands up to 150,000 tons per month but there is a great shortage of boiler tubes and pumps.

Transportation

6. Because there are no underground rails, coal has to be carried by hand to the shaft bottom and to the surface in baskets, again largely by hand labor. During their previous occupation the Communists had destroyed five miles of light railway, so that the coal must be carried to Poshan from the pit by barrows and mule carts. The Communists allowed only coal for local consumption to be mined, and the miners were paid in food instead of cash. The Communists could not use the coal as they had no railway by which to transport it. Consequently, when the Nationalists took over the mines in the fall of 1946, there were no stock-piles of coal (F-6). (Shanghai note: There is no indication that source was in the Poshan area in late August 1946 when the Nationalists took over. It was reported on 2 September 1946 by another source that there was a stock-pile of 200,000 tons.) At present there are 80,000 tons above ground.

7. Labor and Wages

7. The miners work in teams of five men and boys on a twenty-four hour shift. The average wage for each team ranges from CNY \$10,000 to \$13,000 per ton. Out of this money the team must pay the cost of bringing the coal from the mine up the shaft to the pit head. There are no women workers, but many children from the age of ten on up are employed. A great many family groups - father, brother, and son - are employed; consequently at the surface of the mines there are employed many "hangers-on" who produce nothing. Because wages are low the miners spend a part of their idle days farming in order to have enough food to exist. Although there has been no labor trouble yet, it is expected to develop soon.

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